

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF May 18, 2009 MEETING

Board Members Present: John Rupp, Michael Lewis; Edward Field; Rochelle Lee; and Thomas Deller.

Absent: William Kennedy

Also Present: Alfred J. Moscola (General Manager); Lori Caron Silveira (Outside General Counsel); Henry Kinch; Maureen Neira; Mark Therrien; and Ellen Mandly and other members of RIPTA's senior staff and members of the public whose names are listed on the meeting sign-in sheet.

Agenda Item 1: Approval of the Minutes of April 20, 2009 Meeting

Mr. Rupp called the meeting to order and asked if the Board members had an opportunity to review the minutes of the April 20, 2009 Board of Directors meeting. The members indicated that they had and Director Lewis questioned the remark attributed to him in a paragraph of the General Manager's report on page 4. Ellen Mandly said she would strike the sentence in question. Director Lewis then made a

motion to approve the minutes as amended. Mr. Deller seconded the motion; the minutes were unanimously approved as amended.

Agenda Item 2: Appointment of JPB Member

Mr. Moscola noted that the untimely death of Board member Jack MacDonald had left a vacancy on the Joint Pension Board and said that the management side needs a third member. Mr. Rupp noted that the passing of Mr. MacDonald leaves only him and Ms. Lee on the JPB and he asked for a nomination for a third member. Mr. Deller nominated Edward Field to serve on the JPB. Director Lewis seconded the nomination of Mr. Field and the motion passed unanimously.

Agenda Item 3: General Manager's Report

Mr. Moscola began by saying he and John Rupp had received letters from Representative John DeSimone, Chairman of the House Committee on Separation of Powers and Oversight, asking that they appear before the committee on May 20, 2009 to answer various questions regarding RIPTA. Mr. Moscola invited all members of the Board to attend.

The General Manager reported that Mark Therrien would be making a presentation on “one state, one rate” and tiered fares at the June Board meeting.

Next Mr. Moscola introduced Mike Burke, the Clerk of the Works, David DeQuattro and John Racine from Robinson, Green, Beretta Corporation (RGB) to give a status report on the construction of the new paratransit facility and to discuss change orders.

Mr. Burke said construction of the new paratransit building began in August 2008 and as of April 30, 2009, the building is now approximately 42.5% complete and the project is on time and within budget. He said all underground tanks and utilities have been installed and the curbing is about 85% complete. Steel erection has been completed and the roof of the administration building will be done by weeks end. Mr. Burke said that work is underway on the interior of the administration building and concrete is in the main building for the construction of 10 of the 12 lift pits.

Mr. Burke reported that there have been 8 changes orders to date but they have not had an adverse affect on the schedule. He said weather conditions have been favorable and 30% – 40% of the masonry work is complete. He said there have been 2 onsite injuries, both minor.

Mr. Moscola reported that he and RIPTA staff meet bi-weekly with personal from RGB, Mike Burke and others to discuss outstanding issues and pending items and Mr. Burke said he meets weekly with all subcontractors for status reports.

Ms. Lee asked what percentage of the contingency funds had been used thus far and John Racine said that \$650,000 of the \$2.6 million in contingency funds had been used or 28%. Mr. Burke noted that 84% of the \$650,000 was due to the soil issues he has previously reported on.

Mr. Moscola said he is happy with the progress of the project to date and he asked John Racine and Dave DeQuattro to continue the report and discuss change orders.

Mr. DeQuattro said when the project was begun 1.5 years ago, the economy was more robust and steel and concrete were selling at higher prices, therefore RGB designed the building as economically as possible, without a lot of extras, in an effort to get it built. He referenced a document disseminated to the Board which gave the details of the 8 change orders made to date and already accepted by the Board and said he would concentrate his remarks on the 10 upcoming potential changes.

The first change order discussed was an exterior gasoline canopy at a cost of \$134,000. Mr. DeQuattro explained that if the canopy is to be installed to protect the equipment, then the footings must be poured now. Mr. Moscola added that the canopy will help with the mounting of the fire suppression system and Mr. DeQuattro described the fire suppression system in detail.

Next he discussed high performance coating which is epoxy paint like that “on the finish of a car” and said they are proposing this paint for the doors. This paint must be applied at the factory and will cost an additional \$85,000, but will protect against weather and prevent flaking.

Mr. DeQuattro discussed the third change order, the installation of a temporary traffic signal. From the beginning, RIDOT said another traffic signal was needed but there was a time delay on getting the new signal installed so this request is for a temporary signal until the permanent one can be installed. The cost is about \$30,000. Director Lewis asked about existing traffic conditions and the scheduling of the permanent signal. Mr. Field asked if RIDOT could give RIPTA the equipment and Mr. Racine said they have discussed this possibility with RIDOT.

Next he said that 3rd party testing for Special Inspections is required by the Rhode Island State Building Code at a cost of \$37,000 and revised data and electrical layout to coordinate with final furniture layout is needed at a cost of \$10,000. Mr. DeQuattro explained that new furniture is now possible due to stimulus funds and this new furniture requires “pig tail” wiring to make it transparent.

Next he discussed the 6th change order, a bus shelter required by the Providence City Planning Commission at an estimated cost of \$75,000. Mr. Rupp commented that \$75,000 seemed to be a lot of

money for a shelter and most agreed. Messrs Deller and Moscola said that the shelter had been designed to coordinate with the exterior of the new paratransit building. Mr. Deller asked the architects to simplify the design to reduce the cost.

Mr. DeQuattro said the next potential change order is would improve the splash walls adjacent to the bus washer and would cost \$20,000. This change order is designed so that the walls will hold up better if hit by a bus. Director Lewis questioned why this wasn't built into the original design. Mr. DeQuattro said the price is based on \$100 per foot and Mr. Moscola added that some change requests such as the canopy are vital, while others will be decided upon based on final price quotes from contractors.

Mr. DeQuattro discussed the final three change orders, which are, a) improved skylight installation in the maintenance building costing about \$12,000, b) relocation of the underground fuel line and remote fill box at the gasoline tank costing about \$15,000, and c) revisions to backflow preventers at the water main to increase water flow to bus washers. This change order will cost approximately \$4,000.

Director Lewis noted that the total contemplated change orders are about \$375,000 and he appreciates receiving the information, but does not feel the need to micromanage the General Manager on this project. He said he would defer decisions on the change orders to Mr. Moscola, as long as the project stays within budget. Ms. Lee

concurrent. The General Manager said his goal is to stay on time and within budget.

Director Lewis cautioned against spending too much of the contingency funds as it is still relatively early in the construction process and unforeseen issues could still arise. Mr. Rupp asked for design drawings for change orders 6 & 8. Mr. Burke answered a few more questions and this completed the presentation.

Mr. Moscola passed out a transportation directive outlining RIPTA's policy on cellular telephone usage. Mr. Field had asked for this information as the result of a Providence Journal letter to the editor.

Mr. Moscola described the current policy and said drivers are allowed to have cell phones, but are encouraged to use them only in case of an emergency and to wait until the end of the line to check messages.

He said the policy can be amended to instruct drivers to pull over if they need to use their cell phone and to add updated verbiage to cover new technology such as texting. Mr. Field opined that texting while driving should be subject to immediate termination.

Mr. Rupp asked Steve Farrell, President of ATU for his input. Mr. Farrell responded that the union has not yet received notification on the change in policy and he would like the opportunity to meet with staff to discuss the policy and any resulting discipline before commenting.

Ms. Lee noted that the policy had two different dates and asked why. Mr. Moscola said the policy was initially issued in December 2004 and was reissued in February 2006 and it is still in effect. Ms. Lee asked how offending drivers are sanctioned and Mr. Dean, AGM of Transportation described the discipline process.

Mr. Rupp asked that the General Manager and Mr. Farrell meet to discuss the cell phone policy further and report back to the Board.

Doug Wood, Manager of RIPTA's Ride Program, addressed the Board to discuss the Community Transportation Association of America conference to be held at the Rhode Island Convention Center from Sunday, May 31, 2009 – Friday, June 5th, 2009. Mr. Wood discussed the conference which would begin with a bus rodeo and continue later in the week with professional workshops and noted that Providence had won out over Hartford, CT and Boston, MA as hosts for the event.

Mr. Moscola also discussed the CTAA conference and invited the Board members to attend the professional sessions which are free of charge. Mr. Field asked Ms. Mandly to email the conference agenda to Board members and note which sessions they would most benefit from attending. Ms. Mandly said she would confer with Mr. Wood and email the information requested.

Agenda Item 4: ARRA Program Update

Mark Therrien and Lilly Picchione addressed the Board to give a report on RIPTA's stimulus program. Ms. Picchione reminded the Board that at the last meeting they had outlined the strategy for the obligation of ARRA funds. Since that time the State's Transportation Improvement Program (TIP) has been approved and the Governor's 1115 certification for ARRA funds has been signed. The Hybrid bus and Cummings engine retrofits discussed at the last meeting have been signed for certification and the initial grant has been submitted well ahead of the July deadline. RIPTA is now in good position for any redistribution of funds which may become available.

Ms. Picchione said the next steps will be following up on projects such as trolley bids for approval and bus spec's and the Cummins bid which will go out in June. She continued by discussing various reporting requirements and said they are working with the Governor's office to report to congress. In addition there is maintenance of effort reporting which has also begun.

Ms. Picchione distributed a list of ARRA projects and said she will make further reports as the figures are updated.

Ms. Picchione stated that capital budget preparations are also under way as RIPTA's Capital budget is due in July and will be brought before the Finance Committee in June.

Mr. Rupp asked if hybrid buses were ordered and Mr. Moscola said he is finalizing the specifications before going out to bid in mid June. He said it would take about 60 days to receive responses and he will come before the Board in September with recommendations.

Agenda Item 5: FY 2009/FY 2010 Budget Update

Agenda Item 13: Finance Committee/Fuel Lock-in Range

Ms. Neira began with the FY 2009 final budget update saying three modifications had been made, 1) locking in the fuel price at \$2.0775 from April 1, 2009 to June 30, 2009, 2) a reduction in the gas tax yield to \$4,400,000 per penny, and 3) a modification in pension costs of \$977,395 due to a decrease in the pension plan asset value. These modifications bring the FY 2009 budget deficit from \$1,306,289 to \$2,209,134.

Ms. Neira elaborated on page 3 of the staff summary which outlined the initial budget deficit and the changes and impacts throughout this fiscal year which brought the deficit to where it is currently. She discussed the biggest impact of \$3 million due to the gas tax and elaborated on the \$2 million reduction in expenditures. Mr. Moscola commented that the change in the gas yield occurred only two days ago and will have a devastating impact on our budget.

Next Ms. Neira discussed the FY 2010 Preliminary Budget which was

approved by the Board at the December 2008 meeting and reflected a \$12.4 million dollar deficit. At the March 2009 Board meeting several revisions were made which reduced the Authority's deficit to about \$5 million dollars. This latest iteration of the budget increases the deficit by \$1.9 million for a total deficit of \$6,967,672.

Ms. Neira said that locking in fuel prices, labor negotiations and proposed changes to senior and disabled fares, which require legislative approval, are the only impacts to the FY 2010 preliminary budget in the foreseeable future. Ms. Neira answered questions regarding the pension contribution and revenues.

Mr. Moscola stressed that every line item in the budget has been considered by staff but items such as the gas yield and RIde program are beyond our control. Mr. Rupp characterized these as chronic problems and noted that the deficit is currently less than last year at this time when it was \$13 million, but the deficit is still very disconcerting.

Mr. Rupp asked for a motion on the staff summaries. Director Lewis made a motion to approve the FY 2009 and FY 2010 budgets as presented. Ms. Lee responded to the motion by asking why the budgets have to be adjusted and approved. Mr. Rupp replied that the adjustments made by Ms. Neira and the Board's approval of same are a tool to document the changes to the deficit figure and the efforts of the RIPTA staff and Board to reduce and/or eliminate it.

Mr. Field commented that locking in a fuel price for the next 6 – 10 months could have a major impact and he suggested deferring the vote on the fuel price until that discussion is held. Mr. Moscola responded by addressing agenda item # 13 – Finance Committee/Fuel Lock-in Range.

Mr. Moscola reminded the Board that he has locked in fuel at \$2.07 a gallon until June 30th, the end of FY 2009 against a budgeted price of \$2.40. He said the current price to lock in fuel until June 30, 2010 is \$2.29 per gallon and if we were to lock in today, based on current usage the Authority could save about \$270,000.

Director Lewis asked if Mr. Moscola recommended taking action to lock in a price fuel now and Mr. Moscola responded that if he is still able to lock in at \$2.29 he would like permission to do so. Mr. Rupp asked what the lock in period would be and Mr. Moscola replied July 2009 to June 2010. A discussion ensued among the Board and the General Manager on future and historical fluctuations in fuel prices.

Following the discussion of fuel prices Mr. Deller made a motion to grant Mr. Moscola the authority to lock in fuel at a price not to exceed the budgeted amount for the one year period. Mr. Field seconded the motion and it passed unanimously.

Following the vote a discussion was held on prospect of stockpiling

fuel if prices were to drop dramatically and then the Board reverted back to agenda item # 5. Director Lewis had moved for approval of the FY 2009 and FY 2010 budgets as submitted by staff, which motion was put on hold to engage in a discussion and vote on a fuel lock in. Now the Board returned to the motion made by Director Lewis and a second on the motion was made by Mr. Deller. The motion to approve the FY 2009 and FY 201 budgets was unanimously approved.

Agenda Item 6: Communicating Endorsement of Additional Gas Tax Funds

Mr. Field opened up the topic of communicating RIPTA's endorsement of additional gas tax funds to the General Assembly and Director Lewis voiced his opposition to the endorsement as written.

A lengthy discussion was held and various alternative wording was debated. Director Lewis's opposition was due to the fact the 2 cents in additional funds which would be given to RIPTA would be received at the expense of RIDOT. He said this again illustrates the need for transportation funding in Rhode Island to be addressed. Mr. Rupp acknowledged the Director's difficult position, but said RIPTA is merely endorsing legislation. He added that if RIPTA does not receive additional funding, we will be forced to again consider service cuts and go back out to public hearing on the issue and he feels that the RIPTA Board has no other option but to endorse the legislation on

behalf of RIPTA riders. Mr. Rupp added the caveat that the Blue Ribbon Panel recommendations should be considered seriously as should the NUPTA recommendations.

Mr. Deller referred back to the document being considered for support and questioned whether we supported appropriating the 2 cents or changing the law that changes the tax and adjusts the formula in the future. A discussion ensued on the wording of the document and following this discussion Messrs Deller and Field agreed that the letter of support should not endorse the bill, but rather ask for the 2 additional cents on the gas tax. Mr. Rupp said he would be agreeable to this change.

Chris Wilhite from the Sierra Club was recognized and he clarified one point in the Legislative bill. Director Lewis noted the resolution says 2 cents goes to RIPTA while the Legislative bill says the gas tax remains the same until such time as fuel goes above \$3.00 per gallon, therefore until fuel goes above \$3.00 there is no impact on revenues yet 2 cents goes away from RIDOT and to RIPTA.

Following these discussions Chairman Rupp reiterated that the lack of long term funding for transportation is the crux of the problem and funding not tied to fuel is needed such as those proposed by NUPTA and the Blue Ribbon Panel.

Director Lewis said that at the House Finance Committee,

Representative Costantino asked Mr. Rupp if he was asking for more funding for RIPTA and he said he was. Director Lewis said he would like the statement to reflect this conversation more generally and not relate to specific legislation. The Board members discussed the issue further and agreed to revise the statement of support. Mr. Kinch left to room to make the revision and Ed Field suggested moving on to the discussion of commuter rail while the letter is edited.

Agenda Item 7: Commuter Rail Presentation – Steve Devine

Director Lewis introduced Steve Devine Chief of Intermodal Planning at RIDOT to give a Powerpoint presentation on Commuter Rail.

Mr. Devine read and elaborated on the Powerpoint presentation which discussed such things as the history of commuter rail in Rhode Island, the Pawtucket layover facility, South County commuter rail project history, the Warwick intermodal station and pricing, the Wickford junction project and associated costs and the partnership with Amtrak.

Mr. Devine said that the total project cost is \$54.78 million of which \$49.78 is in place leaving the project \$5 million underfunded. He said the top priority is the completion of Phase I of the project - the design and construction of the Warwick and Wickford junctions scheduled to begin operations in late 2010/early 2011. Phase II focuses on

feasibility and operational analysis for future stations and along with maintaining existing Providence – Boston service, working with communities and regional agencies on locally based passenger rail initiatives, participating in the Northeast Corridor Master Plan process and discussions on the future of high speed rail in the Northeast.

Mr. Devine answered questions from the Board and then concluded his presentation.

Mr. Kinch disseminated the revised document communicating the endorsement of additional funds for RIPTA. The Board took a moment to review the endorsement which is attached hereto as Appendix A. Mr. Field moved that the revised endorsement be approved as presented. Mr. Deller seconded the motion and the revised endorsement was approved unanimously.

Mr. Deller left the meeting.

Agenda Item 8: Potential Oversight and Accountability Counsel

Chairman Rupp addressed the agenda item on oversight and accountability counsel saying this topic had been discussed at length by the members of Finance Committee due to concerns regarding certain provisions relating to a “whistle-blowing” process in connection with the ARRA program.

Mr. Rupp said the process for documenting and responding to whistle-blowing allegations is not clearly defined at RIPTA and this is disconcerting due to the vagueness associated with the ARRA provisions for lodging such complaints. For this reason, Mr. Rupp engaged the services of Gerry DeMaria an attorney with the firm of Higgins, Cavanagh & Cooney to work with our council at Nixon Peabody to address potential oversight and accountability issues in connection with ARRA funding. Mr. DeMaria authored a lengthy document on the issue which was fully vetted in the Finance Committee.

Mr. Rupp expressed concern over the potential personal liability RIPTA staff and board members face and felt an independent assessment of the issue was critical.

Mr. Rupp and Mr. Moscola reiterated some of the discussions and concerns discussed at the Finance Committee and answered questions from the Board regarding the cost of potential litigation and defense and the likelihood of claims and the method by which the claims would be investigated.

Following this discussion, the Board members agreed that whistleblowing is a serious concern and oversight counsel should be engaged to develop a policy and plan of action. Mr. Field asked the appropriate contingency fee needed to retain council and Mr. Rupp

suggested \$50,000. Mr. Field asked Mr. Rupp if RIPTA was charged for the initial report authored by Mr. DeMaria and he said we were not.

Director Lewis stated that this is a critical item and the process is important, but suggested the lower contingency fee in the amount of \$20,000. Ed Field made a motion to engage counsel to develop a policy dealing with oversight and accountability related to ARRA funds at an amount not to exceed \$20,000. Director Lewis seconded the motion and it passed unanimously.

Mr. Rupp commented that this issue needs to be kept in mind when discussing additional funding and long term revenue planning.

Agenda Item 9: Officers & Directors Insurance

John Stanziale, from RIPTA's Risk Management department and Gary Primavera of Starkweather & Shepley RIPTA's insurance broker addressed the Board to discuss Officers and Directors (D&O) insurance.

Mr. Primavera handed out a document detailing one-year old pricing from various insurance providers and another document discussing RIPTA's current officers and director's coverage. He said the decision of whether or not to raise the insurance limits will likely come down to price and deductibles. He described the cost of

RIPTA's current coverage and said the year old pricing is probably still indicative of the current market.

Mr. Primavera said that last year when he addressed the Board he outlined what the D& O insurance protects against and where our major exposure is. His one problem with the current policy is that RIPTA as an entity is not named, but the directors and officers are, so any suit would be against the individuals, not the entity itself. He said coverage is available to rectify this, depending on how much RIPTA is able to spend.

Mr. Primavera answered questions about the insurance proposals and he asked if RIPTA resolved the issue of indemnifying the Board members. Next he stated that Starkweather & Shepley had done an informal survey of their quasi state and not for profit clients and the range of D&O insurance is a low of \$1 million (RIPTA's current level) to a high of \$19 million and said the mean would be about \$5 million. Ms. Silveira said the newly revised by-laws provide indemnification of the entity as well as the officers and directors.

The Board members discussed the policies and pricing on the year old matrix and after querying Mr. Primavera they determined that before making a final decision, updated pricing is needed.

Director Lewis stated that for him, indemnification is the biggest concern. Mr. Rupp concurred. Ms. Lee wondered where the money

would come from to pay the insurance premiums. Mr. Field suggested that the House Oversight Committee be asked to enact legislation indemnifying the RIPTA Board.

The Board asked Mr. Primavera to get updated policy pricing with a deductible in the range of \$50,000 and report back to the Board next month and this agenda item was tabled.

Agenda Item 10: Auditor General Opinion on Recovery Audit and Possible RIPTA Uses of Recovery Audits

Mr. Field reported that the Finance Committee met and discussed this agenda item and determined that the issue should be vetted through the office of the Auditor General. The Committee asked Mr. Kinch to write to the Auditor General and request an opinion on the issue. The Board package included a copy of the correspondence sent to the Auditor General however a response has not yet been received. Mr. Field moved that this agenda item be tabled until such time as the Auditor General gives his opinion on the matter. Director Lewis seconded the motion to table agenda item # 10 and it passed unanimously.

Agenda Item 11: Board Committees

Chairman Rupp announced that this agenda item would be tabled at this time and asked that it be put on the next Board agenda. Director

Lewis moved that the discussion be tabled and Mr. Field seconded the motion. The motion passed unanimously.

Agenda Item 12: Statewide ITS Program

Ed Scott addressed the Board to discuss RIPTA's Statewide Intelligent Transportation (ITS) Program. Mr. Scott reported that staff had viewed a presentation by a local company, Rite Solutions of Middletown, RI at the request of the Governor's office although RIPTA staff is in the final stages of evaluating ITS providers.

Mr. Scott outlined the program on Child Safety and Bus Transportation which Rite Solutions developed and implemented in the State of Georgia's public school system. Rite Solutions believes their school bus program would be applicable to bus transportation in Rhode Island.

Mr. Scott outlined the program and said that Rite Solutions asked that RIPTA evaluate the program and endorse it for inclusion in the TIP. Mr. Field was present for the presentation and asked that Rite Solutions respond to RIPTA's ITS RFP with a letter or RFP comments.

Ms. Lee asked how RIPTA had been put in contact with Rite Solutions and Mr. Moscola said Beverly Najarian in the Governor's office asked that we meet with them as they are a Rhode Island company.

Mr. Field asked Mr. Scott if Rite Solutions appeared to offer services not available from other companies and Mr. Scott said they did not and he listed various services offered by both Rite Solutions and other providers. The Board held a brief discussion and staff answered questions. Following this discussion Mr. Moscola said that staff is compiling a white paper regarding RIPTA's ITS project and will be making a presentation to the Board in the next few months.

Agenda Item 13: Finance Committee/Fuel Lock-in Range

Mr. Field gave the Finance Committee report and said the recovery audit portion was already discussed and tabled pending a response from the Auditor General. He said documentation was disseminated and discussed addressing the potential cost savings of engaging in-house counsel. Staff was asked to survey other quasi public agencies to determine those with in-house counsel and the possible cost of employing same.

Mr. Field reported that the topic of engaging oversight and accountability counsel was discussed and acted upon earlier in this meeting. The Committee discussed change orders for the paratransit building also discussed earlier and House authorizations. The Committee authorized the General Manager to send a letter to Congressman Langevin on authorizations pursuant to normal practice.

Mr. Field reported that the Committee would meet again prior to the June Board meeting and completed his report.

Director Lewis moved that the Finance Committee report be approved as presented. Mr. Field seconded the motion and it passed unanimously.

Agenda Item 14: Ferry Service Update

Roger Mencarini, Mike McGrane and Henry Kinch addressed the Board to discuss the new Ferry Request for Proposal and passed out a revised staff summary issued on March 30, 2009 with two pricing proposal options, one with a federal subsidy and one without. Mr. Mencarini said a pre-proposal meeting was held on April 14th and proposals were received on May 1, 2009 from two companies, New England Fast Ferry for Boston, MA and Ocean State Shipbuilding of Brooklyn, CT. Staff recommends the award of a one-year contract to Ocean State Shipbuilding for the operation of the Providence to Newport Ferry service without a operating subsidy.

Mr. Kinch gave a brief background on the ferry issues and discussions held prior to today's recommendation then said Mr. Field accompanied staff when they toured the Ocean State vessel. Mr. Field said he had received a call from Sen. Paiva-Weed suggesting that the convention and visitors bureau help with the marketing of the ferry and that RIPTA should spend as little as possible.

Mr. Rupp asked what assistance RIPTA would provide the chosen operator and Mr. Kinch said some parking, use of the dock and a little marketing assistance, but no more than in past years. A brief discussion was held reiterating past Board discussions on this issue.

Ms. Lee stated her concern that the ferry needs extensive renovations to comply with the RFP requirements. Mr. Field noted for the record that he was not a part of the RFP evaluation team and he disagreed with some of the ratings. Mr. Kinch acknowledged that Ocean State Shipbuilding will not provide the same level of service as past ferry operators, but assured those present that staff will monitor the situation to ensure renovations are completed.

A lengthy discussion ensued regarding insurance liability and responsibility for marketing this service and Mr. Kinch answered these questions and others regarding the ferry schedule. Mr. Field asked what RIPTA would be responsible for and Mr. Mencarini read the list of support services on the 2nd page of the staff summary.

A discussion was held about making changes to some of the requirements in the RFP. Mr. Kinch said that if any changes are made, the RFP would have to be reissued and there would not be enough time to get the service in place this summer. Director Lewis briefly summed up the ferry discussions and RFP procedures that

have brought us to today and said the Board should acknowledge that this service could fail operationally, but we are making the effort because RIPTA was requested to do so by the tourism community and other State officials.

Following this detailed discussion Mr. Rupp asked for a motion to award a one-year contract to Ocean State Shipbuilding for the operation of the Providence to Newport Ferry Service. Director Lewis made the motion and Ms. Lee seconded. Edward Field abstained. The motion passed by a vote of 3 to 1 with the proviso that the vessel repairs and renovations be completed prior to going into service.

Agenda Item 15: Beach Bus Service

Mr. Field referenced the Beach Bus information sheet that was a part of the Board package received by the members and moved that the Board accept the recommendation of management and make no changes to the beach bus service changes previously approved by the Board. Director Lewis seconded the motion and it passed unanimously.

Following the vote, Mr. Therrien answered a few questions and Mr. Field asked that the name be changed on the bus schedule from beach bus service to something like shore and beach access routes. Mr. Therrien said he would look into making this change.

Agenda Item 16: Public Comment

Chairman Rupp asked for public comment and recognized Steve Farrell, President of ATU. Mr. Farrell questioned the Board's authority to contemplate the ITS services discussed in agenda item 12 if video or audio surveillance were to be installed on buses. Mr. Moscola said both methods are being considered and Mr. Farrell said video/audio installation would infringe on the operator's policy. Ed Scott said that discussion on this issue is too preliminary because the presentation to the Board will not be made until July. Mr. Farrell asked a few more questions and in each instance was told the answers would be available in July.

Mr. Farrell noted that the Ferry service had been reinstated yet the union's request for reinstatement of the beach bus had been denied. Mr. Farrell threatened the Board that the union would not accept the next choose-up unless they reconsider the union's request relative to the beach bus. The Board then asked for a definition of choose-up, which the General Manager gave. Farrell restated his threat that drivers will not pick new jobs unless the beach bus issue is reconsidered because in his opinion, changing the beach bus constitutes a reduction in service. Mr. Farrell said he was also speaking as an advocate of the community. Mr. Rupp responded by outlining the difficult discussions and compromises made by many parties in order to offer ferry service.

RIPTA employee Joe Cole then spoke saying he was speaking as an advocate for public transportation. He said if you cut service you lower RIPTA's revenues and hurt riders creating a hardship. He said the RIPTA Board should ask the Governor for more money. Mr. Cole then passed out a resolution passed by the Cranston City Council encouraging RIPTA to restore service to the Elmwood/Auburn Route 20. RIPTA staff had not yet received this resolution through official channels and therefore could not comment. Mr. Cole said he wanted this issue on the next Board agenda.

Mr. Rupp attempted to respond but Mr. Cole shouted him down and a minor shouting match ensued. Once order had been restored, Mr. Rupp asked staff to address the request in the Cranston City Council resolution.

Agenda Item 17: Executive Session

Director Lewis moved that RIPTA adjourn to an executive session, as noticed on the agenda, under sections § 42-46-5(a)(2) to discuss litigation matters. Ms. Lee seconded the motion. A roll call vote was taken on the motion to convene to executive session. All members voted to convene the executive session.

Following the Board's return to open session Director Lewis made a motion to seal the minutes of the Executive Session, and Ms. Lee seconded the motion, which passed unanimously.

Agenda Item 18: Adjournment

A motion to adjourn was made by Director Lewis. Ms. Lee seconded the motion and it passed unanimously.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary

APPENDIX A

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

RESOLUTION OF BOARD OF DIRECTORS

Pursuant to R.I.G.L. § 39-18-22, the Rhode Island General Assembly

appropriates annually a sum to RIPTA from the proceeds of the motor fuel tax.

NOW THEREFORE, RIPTA's Board of Directors hereby resolves as follows:

RIPTA hereby requests that, pursuant to R.I.G.L. § 39-18-22, the Rhode Island General Assembly appropriate an additional two cents of the motor fuel tax to RIPTA for FY 2010 in order to provide necessary financial support of its operating expenses.

RESOLVED THIS 18th DAY OF May 2009.

John Rupp

Chairman

Rhode Island Public Transit Authority